

§ 63A-10. Refunding bonds or notes.

(a) Issuance. – The Authority may issue refunding bonds or notes for the purpose of refunding any outstanding bonds or notes issued under this Chapter, including any redemption premium on the bonds or notes and any interest accrued or to accrue to the date of redemption. Refunding bonds or notes shall be issued in accordance with the same procedures and requirements as bonds or notes. Refunding bonds or notes may be sold or exchanged for outstanding bonds and notes issued under this Chapter.

Refunding bonds or notes may have different interest rates and maturities than the bonds or notes being refunded. The proceeds of refunding bonds or notes may be applied to any of the following:

- (1) The payment, purchase, and retirement of the bonds or notes being refunded by direct application to the payment, purchase, and retirement.
- (2) The payment, purchase, and retirement of the bonds or notes being refunded by the deposit in trust of the proceeds.
- (3) The payment of any expenses incurred in connection with the refunding.
- (4) For any other uses not inconsistent with the refunding.

(b) Proceeds. – The proceedings providing for the issuance of refunding bonds or notes may limit the investments in which the proceeds of a particular refunding issue may be invested. Unless prohibited by the proceedings, the proceeds of refunding bonds or notes that are deposited in trust for the payment, purchase, and retirement of outstanding bonds or notes may be invested in any of the following:

- (1) Direct obligations of the United States of America.
- (2) Obligations whose principal and interest are guaranteed by the United States of America.
- (3) Evidences of ownership of a proportionate interest in an obligation that is described in subdivisions (1) or (2) of this subsection and is held in a custodial capacity by a bank or trust company organized under the laws of the United States of America or a state.
- (4) Obligations of the State or a unit of local government of the State when payment of the principal of and interest on the obligations has been provided for by depositing with a trustee or other escrow agent obligations that meet all of the following:
 - a. Are described in subdivisions (1), (2), or (3) of this subsection.
 - b. When due and payable, will provide enough money when added to any other money held in trust for this purpose to pay the principal of, premium, if any, and interest on the State or local obligations.
 - c. Are rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc.
- (5) Obligations of the State or a unit of local government when payment of the principal and interest on the obligations is insured by a bond insurance company rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc.
- (6) Full faith and credit obligations of the State or a unit of local government of the State that are rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc.
- (7) Any obligations or investments in which the State Treasurer is then authorized to invest funds of the State.

(c) Scope. – This section does not limit any of the following:

- (1) The period for which the proceeds of refunding bonds or notes may be held in trust to retire the bonds or notes that are being refunded and have not matured, are not redeemable or, if redeemable, have not been called for redemption.
- (2) The power to issue bonds or notes for the combined purpose of refunding outstanding bonds or notes and of providing funds for any other corporate purpose. (1991, c. 749, s. 1.)